



CTIA

Building The Wireless Future™
Cellular Telecommunications & Internet Association

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February 1, 2002

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, S.W.
12th Street Lobby, TW-A325
Washington, DC 20554

Re: Ex Parte Presentation
Docket No. ~~96-45~~/Docket No. 98-171; Docket No. 90-571; Docket No. 92-237;
NSD File No. L-00-72; CC Docket No. 99-200; CC Docket No. 95-116

Dear Ms. Salas:

On January 31, 2002, Bruce Cox of CTIA, Anne Hoskins and Steve Berman of Verizon Wireless, Roger Sherman of Sprint PCS, Susan Wichman of Cingular Wireless, Mark Rubin of Western Wireless and Laura Phillips of Dow Lohnes on behalf of Nextel, met with Jim Schlichting, David Furth, Jeffrey Steinberg, April Adams, Rose Crellin and Wayne Leighton of the Wireless Telecommunications Bureau, Katherine Schroder of the Common Carrier Bureau, and Gene Fullano of the Consumer Information Bureau regarding the above-referenced proceedings. Our presentation is summarized in the attached document, which was provided to each of the attendees.

Pursuant to Section 1.1206 of the Commission's Rules, this letter is being filed in each of the above-referenced dockets. If you have any questions concerning this submission, please contact the undersigned.

Sincerely,

Bruce K. Cox

Bruce K. Cox

Attachment

cc: Jim Schlichting
David Furth
Jeffrey Steinberg
April Adams
Rose Crellin
Wayne Leighton
Katherine Schroder
Gene Fullano

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CELLULAR TELECOMMUNICATIONS & INTERNET ASSOCIATION

UNIVERSAL SERVICE PRESENTATION

January 31, 2002

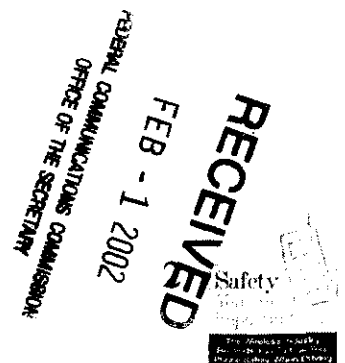
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OVERVIEW



- THE USF COALITION PROPOSAL WOULD UNFAIRLY BURDEN WIRELESS CARRIERS.
- THE COMMISSION SHOULD CONSIDER SEVERAL PROPOSALS IN ITS UPCOMING FURTHER NOTICE OF PROPOSED RULEMAKING, INCLUDING MINOR MODIFICATIONS TO THE STATUS QUO.
- ANY CONTRIBUTION MECHANISM CHOSEN BY THE COMMISSION MUST SATISFY SECTION 254(b)(4) OF THE ACT.



THE USF COALITION PROPOSAL WOULD UNFAIRLY BURDEN WIRELESS CARRIERS



- The USF Coalition (“IXC”) proposal fails a Section 254 analysis because it is neither “equitable” nor “non-discriminatory.”
 - Section 254 of the Act places an obligation on ALL carriers providing interstate/international services to fund universal service.
 - Under the IXC proposal, IXCs are not required to contribute.
 - Under the IXC proposal, CMRS contributions would more than double, unfairly burdening the wireless industry.

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THE FCC SHOULD NOT USE THE USF PROCEEDING AS A MECHANISM TO ADDRESS IXC PROBLEMS



- Declining revenues may impact *how much* a carrier pays into the USF, but should not impact *whether* a carrier pays into the USF.
- It is not “equitable” or “non-discriminatory” to disproportionately shift the funding burden away from one segment of interstate carriers to another segment of interstate carriers.

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THE COMMISSION SHOULD CONSIDER SEVERAL PROPOSALS IN ITS FURTHER NOTICE OF PROPOSED RULEMAKING



- The Commission should consider fully several proposals in addition to the IXC proposal.
 - The Commission should consider maintaining the wireless safe harbor.
 - The Commission should seek comment on the Sprint proposal.

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Cont.

THE COMMISSION SHOULD CONSIDER SEVERAL PROPOSALS IN ITS FURTHER NOTICE OF PROPOSED RULEMAKING (cont.)



- The Commission should seek comment on the Sprint proposal with modifications. (e.g., LECs not collection agents for IXCs; eliminate collect and remit).
- The Commission should seek comment on the current funding mechanism and possible modifications. (e.g. interstate revenues set using simplifying assumptions; safe harbor percentage).

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CONCLUSION

- **The Commission's FNPRM should focus on more than the IXC proposal.**
- **The Commission should seek comment on the current system.**
- **Any mechanism chosen by the Commission must be competitively and technologically neutral.**

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